

# Voluntary Short Term Disability Insurance Overview

Prepared for the employees of  
Snoqualmie Valley School District



## Voluntary Short Term Disability Insurance Coverage – paid by you

**Eligibility** – All active, full-time employees working a minimum of 17.5 hours per week are eligible. There is a 30 day waiting period to be satisfied before you can become eligible.

**Weekly Benefit** – You may elect any \$50 increment, subject to a \$100 minimum and a \$1,400 maximum; not to exceed 66 2/3% of your covered weekly earnings. Your benefit amount will be reduced by any amounts payable to you by any of the sources listed under the “Effects of Other Income Benefits” section.

**Definition of Disability** – Disability means that, solely because of a covered injury or sickness, you are unable to perform the material duties of your regular occupation or you are unable to earn 80% or more of your covered earnings from working in your regular occupation. We will require proof of earnings and continued disability.

**Covered Earnings** – Covered earnings means your wages or salary, not including bonuses, commissions and other extra compensation.

**Elimination Period** – Benefits are payable on the 1<sup>st</sup> day due to an accident and 4<sup>th</sup> day due to a sickness, if you are disabled. This time period ends automatically on the date you are admitted as an inpatient to a hospital if that occurs before the elimination period is completed.

**Cost** – The cost of this insurance program is paid by you. The cost of this coverage per \$10 of Weekly Benefit is \$0.91.

*Costs are subject to change.*

**Effects of Other Income Benefits** – The disability benefit provided by this plan is a total benefit; that is, it will be reduced by any disability benefits payable on behalf of you or your dependents, or a qualified third party on behalf of you or your dependents, whether or not you are actually receiving them. Your disability benefits will not be reduced by any Social Security disability benefits you are not receiving as long as you cooperate fully in efforts to obtain them and agree to repay any overpayment when and if you do receive them.

Other income sources that may reduce your benefits under this plan include:

- Any Social Security disability or retirement benefits you or any third party receive (or are assumed to receive) on your own behalf; or which your dependents receive (or are assumed to receive) because of your entitlement to such benefits.
- Benefits payable by a Canadian and/or Quebec provincial pension plan.
- Amounts payable under the Railroad Retirement Act.

Forty-two percent  
of Americans live  
paycheck-to-  
paycheck.

CareerBuilder, 2011  
Survey

60 percent of  
Americans do not  
have a “rainy day”  
fund to cover three  
months of  
unanticipated  
financial  
emergencies

- Amounts payable under any local, state, provincial or federal government disability or retirement plan or law as it pertains to the employer.
- Employer-paid portion of company retirement plan benefits.
- Amounts payable by any franchise or group insurance or similar plan.
- Benefits payable under work-loss provisions of any mandatory “no fault” auto insurance.
- Any amounts paid on account of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.
- Income sources that **WILL NOT** reduce your benefits under this plan are:
  - Benefits paid by personal, individual disability income policies.
  - Individual deferred compensation agreements.
  - Employee savings plans, including thrift plans, stock options or stock bonuses.
  - Individual retirement funds, such as IRA or 401(k) plans.
  - Profit-sharing, investment or other retirement or savings plans maintained in addition to an employer-sponsored pension plan.

## Additional Plan Details

### Pre-existing Conditions

Benefits are not payable for medical conditions for which you incurred expenses, took prescription drugs, received medical treatment, care or services (including diagnostic measures,) or for which a reasonable person would have consulted a physician during the 12 months just prior to the most recent effective date of insurance.

Benefits are not payable for any disability resulting from a pre-existing condition unless the disability occurs after you have been insured under this plan for at least 12 months after your most recent effective date of insurance.

### Benefit Duration

Once you qualify for benefits under this plan, you continue to receive them until the end of the 13 week benefit period, or until you no longer qualify for benefits, whichever occurs first.

### Termination of Disability Benefits

Your benefits will terminate on the earliest of any of the following dates: the date the insurance company determines you are no longer disabled; the date you earn from any occupation more than the percentage of indexed earnings as defined in your definition of disability; the date the maximum benefit period ends; the date you cease to get appropriate care; the date you die; the date

you refuse to participate without good cause in all required phases of the rehabilitation plan; the date you fail to cooperate with us in the administration of the claim. Benefits may be resumed if you begin to cooperate in the rehabilitation plan within 30 days of the date benefits terminated.

### Exclusions

This plan does not pay benefits for a disability which results, directly or indirectly, from any of the following: Suicide, attempted suicide, or whenever you injure yourself on purpose; war or any act of war, whether or not declared; active participation in a riot; commission of a felony; cosmetic surgery or medically unnecessary surgical procedures; an injury or sickness for which you are entitled to benefits from Workers’ Compensation or occupational disease law; an injury or sickness that is work-related; the revocation, restriction or non-renewal of your license, permit or certification necessary for you to perform the duties of your occupation, unless solely due to injury or sickness otherwise covered by the policy.

In addition, we will not pay disability benefits for any period of disability during which you are incarcerated in a penal or corrections institution for any reason.

### Plan Termination

Coverage terminates if the group policy is

terminated, if you cease to be in active service, if you are no longer a member of an eligible class of employees, the day after the last date for which premium has been paid by you or the employer, or the date you become eligible for a plan of benefits intended to replace this coverage.

If you are disabled and receiving benefits under this plan, your benefits and coverage will continue until the expiration of your benefit period, or until you no longer qualify for benefits under the plan, whichever comes first.

### **When Coverage Takes Effect**

Your coverage takes effect on the later of the

program's effective date, the date you become eligible, the date we receive your completed enrollment form, or the date you authorize any necessary payroll deductions.

If you have to submit evidence of good health, your coverage takes effect on the date we agree, in writing, to cover you.

If you're not actively at work on the date your coverage would otherwise take effect, you'll be covered on the date you return to work.

This information is a brief description of the important features of the plan. It is not a contract. Terms and conditions of insurance are set forth in Group Policy No. VDT-961444. Please refer to your Certificate of Insurance or Summary Plan Description for more detailed information. Coverage is underwritten by Life Insurance Company of North America, a Cigna company. "Cigna" and the Tree of Life logo are registered service marks of Cigna Intellectual Property, Inc. © Cigna 2015